

104TH CONGRESS
2D SESSION

S. 1880

To amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 1996

Mr. MOYNIHAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to correct the treatment of tax-exempt financing of professional sports facilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Tax-Exempt
5 Arena Debt Issuance Act”.

6 **SEC. 2. TREATMENT OF TAX-EXEMPT FINANCING OF PRO-**
7 **FESSIONAL SPORTS FACILITIES.**

8 (a) IN GENERAL.—Section 141 of the Internal Reve-
9 nue Code of 1986 (defining private activity bond and
10 qualified bond) is amended by redesignating subsection (e)

1 as subsection (f) and by inserting after subsection (d) the
 2 following new subsection:

3 “(e) CERTAIN ISSUES USED FOR PROFESSIONAL
 4 SPORTS FACILITIES TREATED AS PRIVATE ACTIVITY
 5 BONDS.—

6 “(1) IN GENERAL.—For purposes of this title,
 7 the term ‘private activity bond’ includes any bond is-
 8 sued as part of an issue if the amount of the pro-
 9 ceeds of the issue which are to be used (directly or
 10 indirectly) to provide professional sports facilities ex-
 11 ceeds the lesser of—

12 “(A) 5 percent of such proceeds, or

13 “(B) \$5,000,000.

14 “(2) BOND NOT TREATED AS A QUALIFIED
 15 BOND.—For purposes of this title, any bond de-
 16 scribed in paragraph (1) shall not be a qualified
 17 bond.

18 “(3) PROFESSIONAL SPORTS FACILITIES.—For
 19 purposes of this subsection—

20 “(A) IN GENERAL.—The term ‘professional
 21 sports facilities’ means real property or related
 22 improvements used for professional sports exhi-
 23 bitions, games, or training, regardless if the ad-
 24 mission of the public or press is allowed or
 25 paid.

1 “(B) USE FOR PROFESSIONAL SPORTS.—

2 Any use of facilities which generates a direct or
3 indirect monetary benefit (other than reim-
4 bursement for out-of pocket expenses) for a
5 person who uses such facilities for professional
6 sports exhibitions, games, or training shall be
7 treated as a use described in subparagraph (A).

8 “(4) ANTI-ABUSE REGULATIONS.—The Sec-
9 retary shall prescribe such regulations as may be ap-
10 propriate to carry out the purposes of this sub-
11 section, including such regulations as may be appro-
12 priate to prevent avoidance of such purposes through
13 related persons, use of related facilities or multiuse
14 complexes, or otherwise.”

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to bonds issued on or after June
17 14, 1996.

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